

Testimony before the  
City Council Planning and Sustainability Committee

Bill 50 (2008) - Relating to Electrical Energy Consumption by City  
Agencies and Operations

Tuesday, September 2, 2008  
1:00 p.m.

by Dave Waller  
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Hawaiian Electric Company, Inc.

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Chair Okino, Vice Chair Cachola, and Members of the Committee:

My name is Dave Waller and I am testifying on behalf of Hawaiian Electric Company, Inc.

HECO understands the challenges faced by the City and County of Honolulu and all of HECO's customers in the face of increasing energy costs. The City and County of Honolulu has taken many steps toward controlling energy usage in City facilities, but increasing cost of electricity continues to present a challenge. Even though electricity use remains the same or slightly higher, the increase in the bill has largely been due to higher costs of fuel to run our generators and those of the independent power producers who sell power to HECO.

The changing costs of fuel and purchase power are reflected in the Energy Cost Adjustment Clause (ECAC). The ECAC is a variable surcharge or credit that increases or decreases monthly according to changes in the cost of fuel oil and electricity purchased by HECO. HECO passes thru the actual cost of fuel and purchase power without any profit. The ECAC reflects the difference between current fuel and purchased power costs and the cost of such items when HECO's rates were last set. The ECAC is applied to the actual monthly kilo-watt hours (kWh) used during billing period as "cents per kWh" and appears as *Energy Cost Adjustment* on the customer bill. The current ECAC for September 2008 is 12.79 cents/kWh.

HECO continues to work closely with the City and County of Honolulu on many of the energy efficiency upgrades that have taken place in their

facilities. The City has implemented 182 energy conservation measures in City facilities. Projects of note are the Fasi Municipal Building, Honolulu Hale, Kapolei Hale, and the lighting retrofit of City traffic signals to energy efficient LED's. Without these projects, the electricity consumption of the City and County of Honolulu would have grown even more.

We encourage the City and County of Honolulu to continue their energy efficiency efforts and look forward to continue working with them on their energy efficiency projects. We also stand ready to assist the City with better understanding their electricity use and their electricity expenditures.